

5 STAGES OF THE BIRTH OF A NEW BAM COMPANY

Peter Shaukat , CEO of [Transformational SME](#) (TSME), identifies five stages in the emergence of a new business as mission company. Each stage, from conception to launch, involves the integration of missional and commercial elements.

Preparation Stage

This is before the ‘baby is born’, the preparation that has taken place even before the business journey starts. It is about recognising what God has already done in the practitioner’s life in regards to their sense of missional call and life experiences; the tapestry woven together in their life *before* the BAM entity begins to be incubated. Preparation includes both business preparation and missiological preparation. What has God been doing to both missionally and professionally prepare the person, in terms of their skills and competencies?

This is where mentoring should begin: Tell me what God has been doing in your life? Tell me what your sense of call is? Tell me how God has been preparing you? The incubation process needs to begin there. The incubation of a new BAM business is the *result* of the process that God has already been doing before that.

Perception Stage

The perception stage is the next step. This is about gaining an understanding of what is going on in the environment that God has called you to do business as mission within; and what God wants to do through the business. What is going on in that environment in commercial terms? What are the needs? What is the market? What is the specific missional element? What is the missional calling to the people group? How is God raising up your business? The perceiving stage addresses the question: What is your business going to be about, commercially and missionally? This is the beginning of the gestation stage of the new business.

Activities in the perception stage will include formal market research, missiological research, taking exploratory trips, etc. There is no hard and fast rule, but this perception process needs to be *at least* 6 months to a year of really studying the market.

There are a couple of common stumbling blocks in the BAM movement in this stage. On the commercial side there has too often been inadequate market research. BAM companies have moved prematurely to the launch of the business without adequately researching the market. This is the stumbling block of falling in love with your product and discovering after the fact that the market doesn’t have the same affinity for it! Mentoring comes into this process. The BAM practitioner will need someone who is business-minded to ask good questions, to ask have you thought about these things? Where are you getting your commercial perceptions from? Have you checked out the local Chamber of Commerce? Have you met with government officials? And so on. The other common stumbling block is inadequate understanding of the missiological, anthropological, and sociological issues that are at play.

TSME has engaged with lots of BAM practitioners over the years at this perception stage; asking them questions around market, around their business readiness, around missiological

understanding, etc. We have found that some practitioners need more commercial development, while others need more missiological development.

Persuasion Stage

This is the period of incubation that primarily involves team building, persuading others to join you. If you hold that it is risky and hard to launch a BAM company in isolation, as an individual, and that it is ideal to build a team around this business idea, then incubation will involve this stage of persuasion. Persuasion follows on from the perception stage and is about envisioning others and getting your team lined up, your investors lined up, engaging your spouse, and so on. From a funding perspective that will involve getting your ‘family, friends, and fools’, or, alternatively, your ‘love capital’, lined up for the start-up. The persuasion process is critical, it is bringing others on board, with commitment, with a willingness to sacrifice, to get to the point of ‘we’re going to do this together’.

The persuasion process also includes working together with national Christians and understanding together the context and business. This will involve persuading *each other* of the vision and intent of the company, and further refining what might work and what won’t. This should be bilateral; an expat that is not willing to listen to national Christians on what tweaking and refinement is needed is doomed to failure. This of course is not the same thing as listening to all voices – for there will be many nay-sayers and people who just don’t get it. Choose your national counsellors with discernment and humility.

Through the persuasion stage you will also be *perceiving* new things about what God is doing. So these are not cut and dry, consecutive stages, this is an iterative process, where elements from previous stages repeat and intensify one another. It is like a river flowing in a linear direction, but within that flow there are eddies and circular movements sometimes carrying you forward, sometimes backward. In business incubation you get this reinforcement between persuasion and an even greater perception, as the vision for the business moves forward. At this stage, the mentor is more hands-off. There is a mentoring process there, but it says to the practitioner, “If you are not able to persuade others to join your team, then I am not able to persuade them for you.” What is needed is availability and more of a Barnabas-type encouragement role. If you are the BAM practitioner, you have to do that persuasion process yourself to engage others to join your team, to finance your business and so on. For the business incubator the key role in this stage is to be an encourager to the persuader.

This is one of the key reasons that TSME has not funded start-ups. TSME has itself gone through the incubation process and as we developed our business model, we perceived that businesses *could* start with available resources from people closest to the entrepreneur – especially if it is a lean start-up – but it was the continuation process that they were most struggling with, in financial terms. We also realised that when the funding comes too easily at the start-up phase, the resilience of that persuasion process can actually be undermined. We fund businesses that have already been through that persuasion process, that have already got others engaged to start the business, and now they need to develop it.

Planning Stage

This is the detailed process of getting all the essential elements of your business lined up – the business planning process. It is understanding what the inputs to the business are, in turn, moving through a finite set of business processes, to what the business outputs are. Again it is an iterative process, after all, how can you persuade people if there are major unresolved

pieces of the business planning process? However, persuasion begins first, because you need people willing to join you so that the planning can take place in a team context, otherwise you will be planning in a vacuum. You need to get people lined up behind the vision *before* the planning is complete, because in a sense it will never be complete. Although, there will be elements of the persuasion stage that will be dependent on presenting a decent plan – and that is legitimate and to be expected.

In terms of the services that are provided in the planning stage, again coaching and mentoring are very important. It is important to be thinking through with people experienced in business who can help you plan. This is where the traditional concept of incubation and the activities of the incubator are often centered. There is classically this idea of a ‘hothouse’ environment or facility where there is mind-share with like-minded groups, where the incubator has a group of experienced, committed coaches who are helping to refine the business plan and that the business planning process is being acted on step by step.

Business as mission is not a purely commercial enterprise, so the planning process for BAM companies is going to include missional planning and the development of a spiritual impact plan. This may include a cultural adaptation and language learning phase, living with a national family, for instance, or other necessary preparations.

Perseverance Stage

This is the launch cycle, where the ‘baby is born’ in sense – and where it might be keeping you up at night, there might be teething problems! The incubation process involves persevering through the phase of business start-up. What do you need at that point? This is where field-support in terms of mentoring and coaching, and prayer support is needed.

This material was first published in the [BAM Think Tank Report on BAM Incubation](#).